

**COUNTY OF SAN BERNARDINO**  
**DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM**  
**OVERALL ANNUAL DBE GOAL METHODOLOGY**  
**FOR**  
**FEDERAL FISCAL YEAR (FFY) 2000/01**  
*(October 1, 2000 to September 30, 2001)*

## INTRODUCTION

Two Overall Annual Goals were established for DBE participation in County of San Bernardino's FY 2000/01 DOT-assisted contracts, in compliance with recently revised federal regulations set forth at 49 CFR Part 26; *Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation (DOT) Programs*, Caltrans' *Local Assistance Procedures Manual*, and, the Federal Aviation Operating Administration (FAA) procedures.

Recommended Overall Annual DBE Goals for DOT-assisted contracts for FFY 2000/01 by DOT Operating Administrations are **14% of the total dollar amount of the federal funds awarded by the County** for FHWA construction projects (CALTRANS) and **12% of the total dollar amount of federal funds awarded by the County** for FAA construction projects respectively. These Goals identify the relative availability of DBEs based on evidence of ready, willing and able DBEs in comparison to all businesses known to be available to compete for the County of San Bernardino's DOT-assisted contracts. DBE goals are calculated annually to ensure relevancy to market conditions and factors impacting DBE availability. The following describes the methodology undertaken to establish these two recommended goals and, the race-neutral and race-conscious measures to be applied to achieve them.

## I. DOT AND FAA-ASSISTED CONTRACTING PROGRAM FOR FFY 2000/01

County of San Bernardino has established two Overall Annual DBE Goals, one for FHWA to be submitted to Caltrans, and, one for FAA. All projects listed below by these two DOT-funded departments have identified subcontracting opportunities, to be awarded and/or expended within this fiscal year.

**Table 1** presents the eleven FHWA-assisted projects within the County of San Bernardino Department of Public Works, which were considered in the overall goal-setting analysis, and their corresponding Federal Dollar Share.

**Table 1: Department of Public Works**

Project Name	Federal Dollar Share
<b><i>Electrical Work</i></b>	
Wabash Ave	\$173,250
Cherry Ave (at Arrow Route)	\$80,000
Central Ave (Arrow Rte/Foothill Blvd)	\$300,000
Central Ave (at Arrow Route)	\$80,000
Mission Blvd	\$150,000

Cherry Ave (at Whittram Ave)	\$150,000
Valley Blvd	\$150,000
<b>Subtotal</b>	<b>\$1,083,250</b>
<b><i>Highway &amp; Street Construction</i></b>	
Beaumont Ave Bridge	\$800,000
Fort Irwin Rd	\$13,625,000
Mesquite St.	\$242,550
Larrea Rd	\$243,810
<b>Subtotal</b>	<b>\$14,911,360</b>
<b>GRAND TOTAL</b>	<b>\$15,994,610</b>

**Table 2** presents the three identified FAA-assisted projects within the County of San Bernardino Airports Department, which were considered in the overall goal-setting analysis, and their respective Federal Dollar Share.

**Table 2: Airports Department**

<b>Project Name</b>	<b>Federal Dollar Share</b>
Chino Airport: Taxiway Reconstruction/Relocation Projects	\$5,580,000
Needles Airport: Chip Seal Access Road	\$135,000
Twenty-nine Palms Airport: Construction Runway	\$1,260,000
<b>TOTAL</b>	<b>\$6,975,000</b>

**Tables 3 and 4** present summaries of the corresponding subspecialty work categories for both sets of agency projects, utilizing Caltrans Work Category Codes (WCC) and, comparable 1998 Census Business Patterns Database North American Industry Classification System (NAICS) work codes, and reflects the Estimated Federal Dollar Value Share and Percent of Federal Funding for each primary work category, as follows:

**Table 3: Department of Public Works**

<b>WORK CATEGORY DESCRIPTION</b>	<b>NAICS CATEGORY</b>	<b>ESTIMATED FEDERAL DOLLAR SHARE</b>	<b>% OF FEDERAL FUNDING BY WORK CATEGORY</b>
Electrical Work	23531	\$1,083,250	7%
Highway and Street Construction	23411	\$14,911,360	93%
<b>TOTAL</b>		<b>\$15,994,610</b>	<b>100%</b>

**Table 4: Airports Department**

WORK CATEGORY DESCRIPTION	NAICS CATEGORY	ESTIMATED FEDERAL DOLLAR SHARE	% OF FEDERAL FUNDING BY WORK CATEGORY
Other Special Trade Contractors	23412	\$5,850,000	16%
Grading & Paving Work	23331	\$1,125,000	84%
<b>TOTAL</b>		<b>\$6,975,000</b>	<b>100%</b>

## II. GOAL-METHODOLOGY

### *Step I: Determination of a Base Figure (26.45)*

To establish the Base Figure of the relative availability of DBEs for both the County's projected FFY 2000/01 FHWA and FAA-assisted contracting programs, the County of San Bernardino utilized data from the Caltrans on-line Bulletin Board System (BBS) DBE Directory of Certified Firms for the specified work categories, as its numerators (filtered to include all DBE firms within the geographic market area). In addition, as its denominators, the County utilized data from the 1998 U.S. Census Bureau County Business Patterns (CBP) database, to determine all available firms within comparable work categories, within the relevant market area, (which consists of County of San Bernardino). The County of San Bernardino made a concerted effort to ensure that the scope of businesses included in the numerators were as close as possible to the scope included in the denominators.

To determine the County of San Bernardino *Department of Public Works'* DBE Base Figure of relative availability, a number of work specialty areas and corresponding contractors were grouped under two *Major Work Categories: Electrical Work and Highway and Street Construction*, as identified in Table 3. (For corresponding detail of all work category classifications grouped, refer to Attachments I and II.) For the *Airports Department's* DBE Base Figure of relative availability, the County grouped the following two *Major Work Categories: Grading & Paving Work and Other Special Trade Contractors*, as identified in Table 4. (For corresponding detail, refer to Attachments III and IV.)

To determine the Base Figure of relative availability of DBEs, the County of San Bernardino divided the numerators<sup>1</sup> by the denominators<sup>2</sup> for each major work category, as follows:

$$\frac{\text{Number of Ready, Willing, and Able DBEs}}{\text{Number of All Available Firms}} = \text{BASE FIGURE}$$

The resultant Base Figures were then weighted, based upon the respective proportion of projected County FHWA and FAA-assisted expenditures, as follows:

<sup>1</sup> Numerator represents all DBEs, geographically located with County of San Bernardino's market area.

<sup>2</sup> Denominator represents all comparable firms availability.

### Department of Public Works

$$\text{Base Figure} = \left( 7\% \frac{(\text{DBEs in NAICS 23531})^3}{\text{CBPs in NAICS 23531}} + 93\% \frac{(\text{DBEs in NAICS 23411})^4}{\text{CBPs in NAICS 23411}} \right)$$

$$\text{Base Figure} = \left( .07 \frac{(10)}{306} + .93 \frac{(58)}{406} \right)$$

$$\text{Base Figure} = \left( .07(.0327) + .93(.1429) \right)$$

$$\text{Base Figure} = \left( .0023 + .1329 \right)$$

$$\text{Base Figure} = (.1352) 100 = 13.52 = \mathbf{14\%}^*$$

*\*Rounded to the nearest whole number.*

### Airports Department

$$\text{Base Figure} = \left( 16\% \frac{(\text{DBEs in NAICS 23412})^5}{\text{CBPs in NAICS 23412}} + 84\% \frac{(\text{DBEs in NAICS 23331})^6}{\text{CBPs in NAICS 23331}} \right)$$

$$\text{Base Figure} = \left( .16 \frac{(63)}{207} + .84 \frac{(51)}{599} \right)$$

$$\text{Base Figure} = \left( .16(.3043) + .84(.0851) \right)$$

$$\text{Base Figure} = \left( .0487 + .0715 \right)$$

$$\text{Base Figure} = (.1202) 100 = 12.02 = \mathbf{12\%}^*$$

*\*Rounded to the nearest whole number.*

<sup>3</sup> The NAICS 23531 Category includes the following equivalent Caltrans Work Category Codes: C0686, C8602, C8603, and C8604.

<sup>4</sup> The NAICS 23411 Category includes the following equivalent Caltrans Work Category Codes: C0639, C1575, C1580, C1901, C1910, C2201, C3901, C3910, C8405, C8406, C9907, and C9908.

<sup>5</sup> The NAICS 23412 Category includes the following equivalent Caltrans Work Category Codes: C0600, C0686, C0698, C7405, C8405, C8406, C8602, C8603, C8604, C9670, C9774, C9907, C9908, C9903, C0685, C1200, C5110, C7301, and C2800.

<sup>6</sup> The NAICS 23331 Category includes the following equivalent Caltrans Work Category Codes: C0639, C1531, C1901, C1910, C3901, C3910, C4040, C4201, C2201, C9980, and C4101.

## ***Step 2: Adjusting the Base Figure***

The County reviewed the two Base Figures, then considered and assessed other known evidence potentially impacting the relative availability of DBEs within the County's market area, in accordance with the prescribed narrow tailoring provisions set forth under 49 CFR Part 26. Evidence considered in making additional adjustments to the Base Figures included the *County's Past DBE Participation Goals and Actual Attainments on Similar Projects, Bidders List, and Other Local Agencies' DBE Goals within the County of San Bernardino's jurisdiction*. A summary of these considerations, are as follows:

### ***A. Proven Capacity of DBEs Measured By Actual Attainments***

The County's Airports Department has historically met or exceeded their DBE goal of 15<sup>+</sup>%, however, the Public Works Department did not meet the 10% established goal within the last fiscal year.

### ***B. County's Bidders List***

While a Bidders List would serve as quantifiable evidence of the demonstrated interest and capacity of DBEs; the County has not collected such relevant information to establish a tailored Bidders List. However, the County has now instituted program requirements to capture such information from all bidders at the time of bid/proposal submission and will utilize this relevant information in future goal-setting analysis.

### ***C. Other Agencies DBE Goals***

The County surveyed other DOT and FAA recipients (local agencies) within its jurisdiction, with similar contracting programs. The resultant weighted DBE Goals established for FFY 2001 for these agencies within the County's jurisdiction and market area range from 10 to 15%. Both County Overall DBE Goals are aligned accordingly.

Upon thorough review and analysis of the above-named evidence; the County concluded that the Base Figure of the relative availability of DBEs within its jurisdiction is aligned with other recipient agency goals, established under 49 CFR Part 26. Therefore, no adjustment to the Base Figure is recommended.

### **III. OVERALL ANNUAL GOAL AND PROJECTION OF RACE-NEUTRAL AND RACE-CONCIOUS PARTICIPATION:**

**The Overall Annual (FFY 2000/01) DBE Goals for the County of San Bernardino's DOT-assisted contracts are 14% of the total dollar amount of the federal funds awarded by the County for FHWA construction projects, and 12% of the total dollar amount of the federal funds awarded by the County for FAA construction projects. Both Overall Goals are expressed as a percentage of respective FHWA and FAA-assisted funds the County will expend under federal contract within the next fiscal year.**

These Goals represent the relative availability of DBEs; based on evidence of ready, willing, and able DBEs to all comparable firms available to compete for and perform on the County's federally funded contracts. The Overall Annual Goals reflect a determination of the level of DBE participation, which would be expected absent the effects of discrimination. **The County projects to meet 4% and 2% respectively, of these goals utilizing race-neutral methods, including making efforts to assure that bidding and contract requirements facilitate participation by DBEs and other small businesses in conformance with new regulatory requirements. The County projects to meet the remaining 10% of each of these goals utilizing race-conscious measures, including utilizing contract-specific numeric goals, as necessary to achieve the respective overall goals in the next fiscal year.**

### **IV. PUBLIC PARTICIPATION AND FACILITATION**

In conformance with Public Participation Regulatory Requirements of 49 CFR Part 26 and Caltrans Local Assistance Procedures Manual (LAPM), these goal analyses will be reviewed by minority, women, local business chambers, and community organizations within the County of San Bernardino's geographic market area.

Additionally, the County of San Bernardino will publish a Public Notice in general circulation media announcing the County of San Bernardino's proposed Overall Annual Goals for the FFY 2000/01 DOT-assisted contracts. Such Notice will inform the public that the proposed goals and rationale are available for inspection at the County of San Bernardino's Office of Small Business Development during normal business hours for 30 days following the date of the Public Notice and that the County of San Bernardino will accept comments on the goal analysis for 45 days from the date of the Public Notice. The required public participation provisions will be fully satisfied prior to submitting the County of San Bernardino's DBE Program and Overall Annual DBE Goal to Caltrans for final review and approval.